Optimisa plc

Financial statements

For the year ended 31 December 2006

Company No. 3860539

Company information

Company registration number	3860539
Registered office	2nd Floor 209 – 215 Blackfriars Road London SE1 8NL
Directors	R F Littleboy, Chairman S J Dannatt, Chief Executive R C Porter, Non-exec director D B Rankin, Director J D H Waters, Director
Secretary	J D H Waters
Bankers	Bank of Scotland 38 Threadneedle Street London EC2P 2EH
Solicitors	Grant Dawe LLP 201 Queen's Wharf Queen Caroline Street Hammersmith London W6 9RJ
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW
Nominated adviser and broker	Nabarro Wells Saddlers House Gutter Lane Cheapside London EC2V 6HS
Registrars	Capita Registrars plc The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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Chairman's statement

Highlights

- Revenues rose from £2,263,000 in 2005 to £5,894,000 for the full year 2006.
- Operating profits of £763,000 were achieved for the year, a 119% increase on the results for 2005.
- Shareholders' funds rose from £2,851,000 to £4,458,000 and included net cash of £1,596,000 (at end December 2006).
- Two acquisitions were completed in the year:

  On 3 March 2006, USA based nxtMOVE was acquired for $1,567,000 (£895,000 - based on the exchange rate at date of acquisition of $1.75=£1.00) plus acquisition costs paid in cash.

  On 2 October 2006, Andrew Irving Associates was acquired for a mixture of cash and shares.
- A placing of 105,000 shares in May 2006 raised £937,000 net of expenses.
- Fully diluted earnings per share of 80.7p were reported for the year to end December 2006 an increase of 31%.
- A final dividend of 15p is recommended making a total of 22.5p for the year.

I am very pleased to report that the year under review has exceeded even our high expectations. The excellent results reflect strong underlying growth from KAE throughout the year and a significant contribution from nxtMOVE and Andrew Irving Associates (AIA) in the second half. We have an exceptionally strong balance sheet with significant net cash at end December 2006. As a result the board has recommended a 50% increase in the final dividend to 15p, which will be paid on the 29 May 2007 to the shareholders on the register on the 20 April 2007.

In a recent survey of 803 AIM listed companies, which have been the subject of a reverse takeover or have IPOed only 49% are now trading at or above their initial share price. In the light of this survey, I would like to review our performance since the reverse takeover of KAE in May 2005. At that time our share price on completion was 405p. On the basis of our results for 2006 and the recommended final dividend, shareholders who have retained their shares would now receive a dividend payout of over 5% on the initial 405p, have net asset backing of over £5 per share including 180p of cash and the fully diluted EPS has increased from 0.3p to 80.7p. Our performance was reflected in a rise in the share price of 172% to £11 from May 2005 to end December 2006. We raised over £1,000,000 in new equity in 2006 and I am convinced our AIM listing will be a major contributor to the future success of our buy and build strategy as AIM investors become more discriminating.

The current year has started very well and the operating pipelines for all three business units are well ahead of the previous year at this stage. We have increased our professional staff numbers substantially to maintain our ability to grow our core KAE business organically. We are budgeting excellent returns on our investment in nxtMOVE and AIA in their first full year in the Company and expect to make further add-on acquisitions in 2007. Optimisa has net cash resources of £1.6m and generates strong surplus cash flow, which enables us to pursue a substantial acquisition, which could transform the size and scale of the group in 2007.

Chairman's statement (continued)

Optimisa is a 'people business' and the key determinate of our success is our ability to retain and attract high quality staff. It is thanks to our highly motivated employees hard work and ability that we have produced another excellent set of results and look forward to an exciting and challenging year with confidence.

R F Littleboy
Chairman

Chief executive's review

I am pleased to report that 2006 was a year of solid growth and strong performance in all areas of our business. The core business of KAE exceeded expectations and we are very pleased with the progress made with the two acquisitions completed during the year – nxtMOVE helping to develop our operations in North America and Andrew Irving Associates adding strength to our business in the UK.

The results for the year to end December 2006 include a 10-month contribution from nxtMOVE and a 3-month contribution from Andrew Irving Associates. The integration of nxtMOVE has largely been completed and several significant new client wins in both the UK and the US came as a direct consequence of our presence in both markets. Integration of Andrew Irving Associates is also going well and they are now handling a considerable amount of business previously outsourced to other companies.

KAE continued its strong organic expansion, once again beating high growth targets and expanding both the depth of its relationship with existing clients and the overall client breadth. All large clients were retained through the year and several key target clients were added as part of the business development programme.

The deferred consideration for the acquisition of KAE was dependent on KAE achieving certain targets. All targets were achieved for 2005 and 2006 and the final 60,000 deferred shares were issued in June 2006 as per the prospectus released in 2005.

On 6 March 2006, we announced the acquisition of nxtMOVE from Huntsworth plc for $1,567,000 (£895,000) paid in cash. Huntsworth had acquired nxtMOVE with its purchase of Incepta plc in May 2005 but decided it was non-core and subsequently sold it to Optimisa. We knew the company well and had worked with them in the past.

On 2 October 2006, we announced the acquisition of Andrew Irving Associates (AIA). AIA is a long established UK based qualitative research agency with an impressive track record in the private and public sector. We, and the team led by Andrew Irving, are confident that this business will achieve exceptional growth in the next few years and will also considerably strengthen both the capabilities and product offering of KAE.

As part of the integration and development process for our business units we have implemented consistent group wide performance management and resource planning tools and instigated a process of staff rotation. These have already had very positive results – providing internal developmental opportunities for members of the core team as well as improving management efficiency and knowledge sharing.

At the beginning of 2006 KAE had 27 employees. By virtue of both the acquisitions and strategic recruitment the Group expanded to 56 employees at the start of 2007. As part of the overall business development plan we expect to increase this further to 66 by the end of the current year excluding further acquisitions. Recruitment is currently focused on high calibre senior level individuals who can reinforce and further expand our consulting offer in both the UK and the US.

Market conditions for our type of consulting offer have been very good over the last year and we have taken full advantage of the opportunities this has presented. Moving forward we are focused on expanding both the breadth and the depth of our offer to further build on the client relationships we already have and to leverage these in adjacent sectors.

Chief executive's review (continued)

We have set very demanding targets for each of our business units in the current year, but are confident that the results will confirm our status as a genuine growth company. Our strategy is to produce well above average organic growth from each of our business units and to accelerate this growth with earnings enhancing acquisitions.

The overall Optimisa business focus remains on delivering high value, commercially based market and marketing advice to help our clients grow their businesses profitably.

KAE continues to concentrate on growing its business in the strategic marketing consulting arena, providing consulting services around new product development, market opportunity identification and assessment and commercial marketing advice to blue chip clients in Europe and the US. Business is extremely good in the core telecommunications and financial services sectors and we have had considerable success in expanding our business in hospitality and transport over the last year.

nxtMOVE is building on its success in providing strategic decision support services to US corporates both domestically and internationally and will continue its focus on clients in the aerospace, financial services and private equity markets providing high value market and corporate analysis.

Andrew Irving Associates is expected to grow significantly in the coming year. Organic expansion of its qualitative market research services for existing and targeted new clients is already being augmented by cross selling by both KAE and nxtMOVE and this is expected to further develop as our experience of multi team / office delivery grows.

S J Dannatt
Chief Executive

Business review

Optimisa is focused on becoming the leading UK commercial marketing consulting business by delivering high value, commercially-based market and marketing advice to help our clients grow their businesses profitably.

We deliver strategic advice to our clients in the four areas of business challenge most relevant to commercial marketing:

- **Finding new ways to grow business** by identifying opportunities, developing commercial propositions and building robust business cases.
- **Developing products and services for successful launch** through rigorous testing and rollout planning.
- **Refining and improving existing products and services** by addressing competitive issues, market and customer changes and distribution challenges.
- **Re-energising and re-prioritising business and product portfolios** to ensure the most effective return-on-investment for the business.

As a group we take a consultancy-based client service approach to all of our work, underpinned with high quality, efficient and effective business operations. We are dedicated to advising our clients on how to win in an in increasingly competitive and global market place and believe the most effective way to do this is to provide a professional opinion based on solid evidence (from customers, markets, competitors and the clients).

Over the last year we have succeeded in hitting aggressive organic growth targets in the core business; a testament to the expertise, hard work and dedication of the team as a whole. We have also strengthened the overall offer by adding additional skills where required. We have undertaken several projects where group companies have worked closely together and have promoted secondments between companies to encourage the distribution of skills.

The business continues to focus its offer and development in three core 'product' areas:

- Added-value market research in both B2C and B2B
- Market and competitor intelligence
- Data analytics

kae: marketing intelligence

KAE provides services in all three of the group's core product areas both as standalone services and as an integrated consulting offer. The business has focused its development in three main industry areas:

- Financial Services
- TMT (Telecommunications, Media and Technology)
- Leisure & Retail

In Financial Services, KAE has a strong track record in life insurance (retirement planning & offshore products), private banking (UK & International) and wholesale banking (Business and Investment). In recent years KAE has worked for eight of the leading providers of retail financial services in the UK.

Business review (continued)

In TMT, KAE continues its long-standing relationship with one of the world's largest mobile phone companies. In the UK we continue to work with BT and have worked for all but one of the domestic mobile operators in the last year. KAE also continues to work with a major broadcasting group and with technology firms in the business and consumer space.

In Leisure we have conducted global work for Hilton Hotels Corporation and have also provided extensive support to firms within the Travel sector. In Retail we have conducted projects for several national retailers and have been involved in a groundbreaking project for a leading retail organisation, optimising their routes to market. Across all sectors, in excess of 50% of KAE business is conducted internationally.

KAE has grown organically at well over 20% per annum in recent years and is currently redeveloping its offices to accommodate further expansion.

nxtMOVE

nxtMOVE, based in Virginia, US, focuses on decision support around market and competitor assessment for US corporate clients in the industrial, financial services, consumer products and health science industries. Over 30% of this business is transacted internationally. In the last year the business has also expanded into the value-added market research area, based on skills transferred from KAE.

nxtMOVE's established reputation and expertise in supporting Private Equity groups led to additional market analysis beyond the core acquisition-related offerings of due diligence and target company search. This included market and customer strategy development for a portfolio holding of the private equity division of Investcorp.

As a result of several collaborative engagements between Monitor Group and a mutual client, nxtMOVE entered into a new relationship with Monitor Clipper Partners, the private equity arm of Monitor Group. nxtMOVE has assisted Monitor Clipper Partners with investment support services around portfolio and new investment opportunities.

Andrew Irving Associates

London-based Andrew Irving Associates (AIA) provides specialist qualitative research on Business and Consumer markets and joined the group in October 2006. AIA has won new business in the Insurance and Medical sectors, as well as consolidating its relationships with a range of UK Government Departments. They collaborated closely with Help The Aged on the development of its campaign relating to financial exclusion amongst older people.

AIA aims to build on its established reputation and expertise as a provider of authoritative research to different branches of Government whilst at the same time developing and expanding its work in commercial sectors such as Telecommunications and Leisure.

Since joining the group, AIA has assisted on a range of projects for both KAE and nxtMOVE, already demonstrating the significant value its specialised team can bring.

Report of the directors

The directors present their report together with the financial statements for the year ended 31 December 2006.

Principal activities and business review

The principal activity of the Group is that of marketing consultancy.

A review of the Group's performance for the year is provided in the Chief executive's review with further information on the development of the Group and its services being given in the Business review on pages 8 and 9.

Results and dividends

There was a profit for the year after taxation amounting to £663,000 (2005: £371,000). The directors recommend a final dividend payment of 15 pence per share.

The directors and their interests in the shares of the company

The directors who served the Company during the year together with their beneficial interests in the £1.50 ordinary shares of the Company were as follows:

	At 31 December 2006	At 31 December (or date of appointment if later) 2005
R F Littleboy	**85,333**	85,333
R C Porter (appointed 2 May 2006)	**-**	-
S J Dannatt	**143,656**	114,925
D B Rankin	**143,656**	114,925
J D H Waters	**9,899**	6,319

D J L King and B Amin were also directors during the year but resigned on 30 March 2006.

Share options

The Group has an Enterprise Management Incentive (EMI) Scheme. The only director to have an interest in the scheme was J D H Waters. His interests in the scheme were as follows:

	At 1 January 2006 Number	Granted in year Number	At 31 December 2006 Number	Exercise price Pence	Option period
Enterprise Management Incentive (EMI) Scheme	-	4,000	4,000	900	March 2007 - March 2010
Enterprise Management Incentive (EMI) Scheme	-	4,000	4,000	900	March 2008 - March 2011

Report of the directors (continued)

Substantial shareholders

According to the register held by the Company in addition to the directors' interests disclosed above, the following were interested in 3% or more of the issued share capital at 31 December 2006:

	Number of ordinary shares	Percentage of share capital
D J L King	56,666	6.4%
B Amin	49,463	5.6%
BNY (OCS) Nominees Limited	46,704	5.3%
Credit Suisse Securities (Europe) Limited	40,978	4.7%
Giltspur Nominees Limited	27,979	3.2%
A Falcone	27,550	3.1%

Policy on the payment of creditors

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Such payments are usually within 30 days of the receipt of an invoice.

Trade creditors at the year-end amounted to 30 days as invoiced by suppliers.

IFRS adoption

The Company intends to adopt IFRS for the year ending 31 December 2007. A detailed conversion planning exercise is currently being carried out.

Financial risk management

The board of directors do not consider that the Group is materially exposed to price risk, credit risk and cash flow risk since fees are negotiated on a project by project basis and 50% of the agreed fee is paid in advance. In view of the cash funds on deposit at 31 December 2006, the directors do not believe that the Group has a material liquidity risk. The Group does not enter into derivative contracts either for speculative or hedging purposes.

Risk and uncertainties

The board has overall responsibility for managing the risk across the Group in a business that is reliant on its people and IT systems to grow the business and deliver its services. Policies and procedures are in place on HR, Health and Safety, and IT to manage and eliminate the risk wherever possible.

People are key to the business and the Group will need to continue to attract and retain highly skilled and qualified employees from which to grow the business. Though it cannot be guaranteed that these employees will always be available, the business seeks to provide a positive work environment to retain and attract people to the team.

IT systems are the main method that we deliver and store internal and client project information, the Board takes responsibility to ensure that risks are reviewed regularly and fully understood, the systems are protected and the business systems can continue even in a disaster.

Report of the directors (continued)

Non-financial key performance indicators

The Environment

As a Group we are committed to the development of policies friendly to the environment when carrying out our activities. A number of initiatives are already in place with many of the best ideas coming from the team. We recycle waste material, print on double sided paper, control where possible office lighting on sensor controls, records are held in electronic format, and public transport is used for business travel where appropriate.

Employees

The Group is committed to its employees and seeks to provide a positive, supportive and rewarding work environment, where continuous personal development is core to the business ethos. A reflection of this is the level of employee retention over the year of more than 90%, providing a strong base for future business growth.

True and fair override

The directors have invoked the true and fair override permitted under UK accounting standards in preparing these accounts. The nature of the override and the reasons for it are disclosed in the accounting policies note.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far as the directors are aware:

Report of the directors (continued)

Directors' responsibilities (continued)

- there is no relevant audit information of which the Group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

J D H Waters
Secretary

Corporate governance

The Directors recognise the value of the Principles of Good Governance and have taken appropriate measures to ensure that the Group has adopted measures appropriate for a Group of its size.

Directors

The Board is responsible for approving Group policy and strategy. It met a number of times during the financial year and has a schedule of matters specifically reserved to it for decision. Management supply the Board with timely information and the Board are free to seek any further information they consider necessary.

Relations with shareholders

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting is used to communicate with shareholders and they are encouraged to participate. The Directors will be available to answer questions at the Annual General Meeting. Separate resolutions are proposed on each issue in order that they can be given proper consideration and there is a resolution to approve the annual report and financial statements.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets. The system of internal control is designed to provide reasonable, but not absolute assurance against material misstatement or loss.

The Directors are responsible for the Group's system of financial control and of reviewing its effectiveness.

The key features of the systems of financial control are as follows:

- the Group is headed by an effective Board which leads and controls the Group. The final selection of any Director is performed by the full Board and any appointment is approved by the Board
- the Board receives and reviews on a timely basis financial and operating information appropriate to being able to discharge its duties.

The Group's operating procedures include systems for reporting financial and non-financial information to the Board including:

- preparation and review of annual plans and budget
- preparation and review of monthly management information reports
- review of the business at each Board meeting.

The Board has considered the need for an internal audit function but has decided that the size of the Group does not justify it at present.

Going concern

Having reviewed the financial position and after making enquiries the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Grant Thornton

Report of the independent auditors to the members of Optimisa plc

We have audited the Group and parent company financial statements (the "financial statements") of Optimisa Plc for the year ended 31 December 2006 which comprise the principal accounting policies, the Group profit and loss account, the Group and company balance sheets, the Group cash flow statement, the Group statement of total recognised gains and losses and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the directors' is consistent with the financial statements. The information given in the Report of the directors' includes that specific information presented in the Chief executive's review that is cross referred from the business review section of the Report of the directors'.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's statement, the Chief executive's review, the Business review and the Report of the directors'. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Grant Thornton

Report of the independent auditors to the members of Optimisa plc (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 December 2006 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors' is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Central Milton Keynes

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom.

The principal accounting policies of the Group are set out below and remain unchanged from the prior year.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings to 31 December 2006.

As permitted by Section 230 of the Companies Act 1985, the Company has not presented its own profit and loss account. The profit for the financial year relating to the parent Company amounted to £517,000.

The results of the subsidiaries acquired during the period are included in the consolidated financial statements from the date of acquisition. On acquisition of a business, all of the assets and liabilities of that business at the date of acquisition are recorded at fair value. All changes to those assets and liabilities, and the resulting gains and losses that arise after the date of acquisition, are charged to the post acquisition profit and loss account or statement of total recognised gains and losses as appropriate.

Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

True and fair override

The Group has concluded that goodwill arising on acquisitions of kae: marketing intelligence limited, nxtMOVE Corporation and Andrew Irving Associates Limited should not be amortised given that these companies have demonstrated historical ability to sustain profitability, their respective market positions and the Group's commitment to invest in the long term development of the brands.

The Group has not amortised this goodwill, a departure from the Companies Act 1985 Paragraph 21 of Schedule 4, for the over-riding purpose of giving a true and fair view of the Group's results for the reasons outlined above. If the goodwill arising on the acquisition of kae: marketing intelligence limited, nxtMOVE Corporation and Andrew Irving Associates Limited had been amortised over a period of 20 years, goodwill would have decreased by £135,000, with a decrease in operating profits and opening retained earnings of £92,000 and £43,000 respectively.

Principal accounting policies (continued)

Turnover

Turnover comprises the gross amounts billed to clients in respect of the provision during the year of marketing services to include fees and disbursements for market research and other services performed, subject to specific contract. Revenue is recognised when the service is performed, in accordance with the terms of the contractual agreement and the stage of completion of the work. Turnover is stated after deduction of trade discounts and excluding Value Added Tax or similar sales taxes outside the United Kingdom.

Goodwill and intangible assets

Goodwill on acquisitions, representing the purchase consideration and the costs of acquisition less the fair value of net assets acquired, is capitalised.

The directors assess each acquisition to determine the appropriate treatment of any related goodwill and select from one of two accounting policies:

Where the directors are of the opinion that the goodwill has an indefinite economic life given the acquired business' historical ability to sustain long term profitability, their position within their market sector and the Group's commitment to continue to invest in the long-term development of that business then the goodwill is not amortised but is subject to an annual impairment test.

Where the goodwill does not have an indefinite economic life it is amortised on a straight-line basis over its useful economic life, up to a maximum of 20 years.

Tangible fixed assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives, as follows:

Leasehold property	-	over 5 years
Computer equipment	-	over 3 years
Fixtures & fittings	-	over 5 years

The expected useful lives of computer equipment and fixtures and fittings were reassessed during the year and extended from 2 to 3 years and 3 to 5 years, respectively. The impact on the profit for the year of this change was immaterial.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from the disposal of investments are treated as part of the result from ordinary activities.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Principal accounting policies (continued)

Pensions

The Group operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the year to which they relate. Those contributions are invested separately from the Group's assets.

Deferred consideration

The terms of an acquisition may provide that the value of the purchase consideration, which may be payable in cash or shares at a future date, depends on uncertain future events such as the future performance of the acquired company. The amount recognised in the financial statements represents the maximum amount expected to be paid.

Where the agreement gives rise to an obligation that is settled by the delivery of a variable number of shares to meet a monetary defined liability, these amounts are disclosed as debt.

Liquid resources

Liquid resources relate to current asset investments held as readily disposable stores of value which are traded in an active market where disposal will not disrupt the business.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The exchange differences arising on the retranslation of the opening net investment in subsidiaries are taken directly to reserves. Where exchange differences result from the translation of foreign currency borrowing raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets.

Share options

Executive and employee share option arrangements are assessed at the date of granting the option and a charge is made to the profit and loss account for the fair value only to the extent that it is material.

Dividends

Dividends are recognised as a deduction from equity in the period in which they are paid. Final dividends are recognised in the period in which they are approved by the Company in General Meeting.

Group profit and loss account

	Note	Continuing operations £'000	Acquisitions £'000	2006 £'000	2005 £'000
Turnover	1	4,188	1,706	**5,894**	2,263
Cost of sales		(1,048)	(227)	**(1,275)**	(542)
Gross profit		3,140	1,479	**4,619**	1,721
Administrative expenses		(2,474)	(1,400)	**(3,874)**	(1,409)
Other operating income	2	2	16	**18**	37
Operating profit	3	668	95	**763**	349
Net interest receivable	6	4	1	**5**	17
Amounts written off investments		–	–	–	(109)
Profit on ordinary activities before taxation		672	96	**768**	257
Tax on profit on ordinary activities	7			**(105)**	114
Profit on ordinary activities after taxation	19			**663**	371
Earnings per share (pence)	8				
- Basic				**82.9**	65.8
- Diluted				**80.7**	61.8

The accompanying accounting policies and notes form an integral part of these financial statements.

Group and company balance sheets

	Note	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Fixed assets					
Intangible assets	10	**2,062**	1,304	–	–
Tangible assets	12	**144**	47	**11**	4
Investments	13	–	411	**3,219**	2,428
		2,206	1,762	**3,230**	2,432
Current assets					
Debtors	14	**1,733**	766	**1,264**	423
Cash at bank		**1,596**	757	**356**	358
		3,329	1,523	**1,620**	781
Creditors: amounts falling due within one year	15	**(976)**	(434)	**(50)**	(74)
Net current assets		**2,353**	1,089	**1,570**	707
Creditors: amounts falling due after more than one year	16	**(101)**	–	**(101)**	–
Net assets		**4,458**	2,851	**4,699**	3,139
Capital and reserves					
Called-up equity share capital	18	**1,323**	1,036	**1,323**	1,036
Share premium account	19	**1,334**	502	**1,334**	502
Merger reserve	19	**914**	612	**914**	612
Shares to be issued	11	–	243	–	243
Profit and loss account	19	**887**	458	**1,128**	746
Shareholders' funds	20	**4,458**	2,851	**4,699**	3,139

These financial statements were approved by the directors on 27 March 2007 and are signed on their behalf by:

J D H Waters

The accompanying accounting policies and notes form an integral part of these financial statements.

Group cash flow statement

	Note		2006		2005
		£'000	**£'000**	£'000	£'000
Net cash inflow / (outflow) from operating activities	21		**975**		(192)
Return on investments and servicing of finance					
Interest received		**26**		17	
Interest paid		**(21)**		–	
Net cash inflow from returns on investments and servicing of finance			**5**		17
Taxation			**(66)**		(76)
Capital expenditure and financial investment					
Payments to acquire tangible assets		**(56)**		(34)	
Proceeds on sale of tangible fixed assets		**–**		177	
Acquisition of investments		**–**		(82)	
Proceeds on sale of investments		**103**		–	
Net cash inflow from capital expenditure and financial investment			**47**		61
Acquisitions					
Purchase of subsidiary undertakings	11	**(1,003)**		(802)	
Net cash acquired with subsidiary		**13**		1,060	
Net cash (outflow) / inflow from acquisitions			**(990)**		258
Equity dividend paid			**(135)**		(35)
Net cash inflow from financial investment					
Management of liquid resources					
Disposal of investments		–		80	
Net cash inflow from management of liquid resources			–		80
Cash (outflow) / inflow before financing			**(164)**		113
Financing					
Cash inflow from issuing shares		**1,011**		345	
Share issue costs		**(8)**		**–**	
Net cash inflow from financing			**1,003**		345
Increase in cash in the period	22		**839**		458

The accompanying accounting policies and notes form an integral part of these financial statements.

Group statement of total recognised gains and losses

	2006	2005
	£'000	£'000
Profit for the year	**663**	371
Currency translation differences	**(99)**	–
Total recognised gains for the year	**564**	371

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Segmental analysis

Turnover is attributable to one continuing activity and is stated net of Value Added Tax.

	2006 £'000	2005 £'000
Analysed by source of business		
Group turnover		
- United Kingdom	**4,412**	2,263
- Rest of World	**1,482**	–
	5,894	2,263
Group operating profit		
- United Kingdom	**709**	349
- Rest of World	**54**	–
	763	349
Net assets		
- United Kingdom	**4,091**	2,851
- Rest of World	**367**	–
	4,458	2,851

2 Other operating income

	2006 £'000	2005 £'000
Profit on disposal of investments	–	12
Profit on disposal of leasehold property	–	21
Rental income	**18**	4
	18	37

3 Operating profit

Operating profit is stated after charging:

	2006 £'000	2005 £'000
Auditors' remuneration		
Audit services	**20**	15
Non audit services - taxation services	**4**	3
Depreciation:		
Tangible fixed assets owned	**42**	29
Operating lease rentals	**250**	142

During the year the auditors also received remuneration of £17,000, for consulting work relating to the acquisition of nxtMOVE, which has been capitalised in the cost of investment for this business.

Notes to the financial statements (continued)

4 Directors and employees

Staff costs during the year were as follows:

	2006 £'000	2005 £'000
Wages and salaries	**2,388**	836
Social security costs	**240**	107
Other pension costs	**121**	57
	2,749	1,000

The average number of employees of the Group during the year was 48 (2005: 25).

Remuneration in respect of directors was as follows:

	2006 £'000	2005 £'000
Emoluments	**302**	183
Pension contribution	**47**	28
	349	211

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2006 £'000	2005 £'000
Emoluments	**113**	77
Pension contribution	**20**	13
	133	90

The number of directors who accrued benefits under group pension schemes were as follows:

	2006 No	2005 No
Money purchase scheme	**3**	3

Notes to the financial statements (continued)

5 Related party transactions

At the beginning of the year Optimisa plc held 13.1% of the ordinary shares of Edengene Limited. Mr. S. Dannatt and Mr. J. Waters, both directors of Optimisa plc, were also directors of Edengene Limited at this stage. On 27 April 2006, Optimisa plc sold all its shares in Edengene Limited at the carrying value of this investment. At the same time Mr S. Dannatt and Mr J. Waters resigned as directors of Edengene Limited.

6 Net interest receivable

	2006	2005
	£'000	£'000
Interest receivable on bank deposits	**26**	17
Interest payable on bank borrowings	**(21)**	–
Net interest receivable	**5**	17

Notes to the financial statements (continued)

7 Tax on profit on ordinary activities

Group

	2006 £'000	2005 £'000
UK Corporation taxation	**13**	42
Overseas taxation	**19**	–
Current tax charge	**32**	42
Deferred taxation (see note 17)	**73**	(156)
	105	(114)

The tax accrued on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005: 30%)

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	**768**	257
UK Corporation tax at 30%	**230**	77
Expenses not deductible for tax purposes	**3**	4
Permanent difference in relation to impairment charges	**–**	33
Depreciation (less)/more than capital allowance	**(10)**	1
Reversal of timing difference on pension payment	**–**	(5)
Timing difference on subsidiary loan interest	**12**	–
Utilisation of tax losses brought forward	**(176)**	(59)
Marginal rate change	**(7)**	(9)
US tax rate adjustment	**9**	–
Consolidation adjustment	**(29)**	–
Current tax charge for the period	**32**	42

Notes to the financial statements (continued)

8 Earnings per share

	2006			2005		
	Profit for the financial year	**Weighted average number of shares**	**Pence per share**	Profit for the financial year	Weighted average number of shares	Pence per share
	£'000			£'000		
Basic earnings per share						
Earning attributable to:						
Ordinary shareholders	**663**	**799,576**	**82.9**	371	562,406	65.8
Dilutive effect of securities						
Warrants	**–**	**22,376**	**(2.2)**	–	22,168	(2.5)
Share to be issued	**–**	**–**	**–**	–	13,673	(1.5)
Diluted earnings per share	**663**	**821,952**	**80.7**	371	598,247	61.8

9 Dividends

	2006	2005
	£'000	£'000
Final 2005 dividend paid 2006 (2005: nil)	**70**	–
Interim dividend of 7.5p per share (2005: 5.0p per share)	**65**	35
	135	35

The final dividend proposed for 2006 is set out in the Directors' report.

Notes to the financial statements (continued)

10 Intangible assets

	Goodwill
	£'000
Cost	
At 1 January 2006	1,304
Additions (see note 11)	828
Currency movement	(70)
At 31 December 2006	**2,062**
Net book value at 31 December 2006	**2,062**
Net book value at 31 December 2005	1,304

Notes to the financial statements (continued)

11 Acquisitions

The following acquisitions were made during the period:

a) NxtMOVE Corporation

During the year, the group set up a wholly owned subsidiary, NM Acquisition Corporation in the United States, with the intention of acquiring the business and net assets of nxtMOVE LLC, a wholly owned subsidiary of Huntsworth Group Inc.

On 3 March 2006, NM Acquisition Corporation acquired the trade and net assets of nxtMOVE LLC for a consideration of US$1,567,000 (£895,000). Further costs of $147,000 (£84,000) relating to the acquisition were incurred during the year. Following the acquisition of these net assets, NM Acquisition Corp changed its name to nxtMOVE Corporation.

The funding for this acquisition was provided by Optimisa plc in the form of an interest-bearing loan and by the issue of ordinary shares by nxtMOVE Corporation to Optimisa plc.

In order to assist with the financing of these transactions, Optimisa plc took out a Multi Option Facility with the Bank of Scotland that provided an overdraft facility of £575,000. This facility expired on 28 February 2007, and was not renewed, as the facility was no longer required.

The assets and liabilities of nxtMOVE Corporation at 3 March 2006 were as follows (based on the exchange rate at date of acquisition of US$1.75=£1.00):

	UK GAAP Book value £'000	**Accounting policy adjustments £'000**	**Fair value £'000**
Fixed assets			
Tangible assets	62	–	62
Current assets			
Debtors	405	–	405
Other debtors	2	–	2
Prepayments and accrued income	88	–	88
	495	–	495
Creditors amounts falling due with within one year	(243)	–	(243)
Current net assets	252	–	252
Total assets less current liabilities	314	–	314
Goodwill			665
			979

	£'000
Satisfied by:	
Cash	979

No comparative financial information is available.

Notes to the financial statements (continued)

11 Acquisitions (continued)

b) Andrew Irving Associates Limited

On 2 October 2006, the Group acquired 100% of the issued share capital of Andrew Irving Associates Limited. The consideration comprised of £10,700 in cash and the allotment of 17,701 ordinary shares at £9.90 each.

In addition to the initial consideration, a further deferred consideration up to a maximum of £101,000 is payable dependent upon the gross profit earned by AIA in the 2007 and 2008 financial years. The deferred consideration will be paid through a mixture of equity shares and cash in accordance with the associated sale and purchase agreement.

A provision for the maximum amount payable has been made for the deferred consideration at 31 December 2006.

The assets and liabilities of Andrew Irving Associates Limited at 2 October 2006 were as follows:

	Book value £'000	Accounting policy adjustments £'000	Fair value £'000
Fixed assets			
Tangible assets	28	–	28
Current assets			
Debtors	164	–	164
Cash at bank and in hand	13	–	13
	177	–	177
Creditors amounts falling due with within one year	(68)	–	(68)
Current net assets	109	–	109
Total assets less current liabilities	137	–	137
Goodwill			163
			300

Satisfied by:	£'000
Cash	11
Shares issued (note 18)	175
Deferred consideration (note 16)	101
Acquisition costs	13
	300

Notes to the financial statements (continued)

11 Acquisitions (continued)

b) Andrew Irving Associates Limited

Pre-acquisition results

The information disclosed below has been prepared on the basis of the company's accounting policies which remain unchanged following the acquisition.

	Period 1 May 2006 to 1 October 2006
	£
Turnover	309,641
Operating loss	(34,070)
Loss before taxation	(33,073)
Taxation	–
Loss after taxation	(33,073)

The profit after taxation for the year ended 30 April 2006 was £30,379.

Notes to the financial statements (continued)

12 Tangible fixed assets

	Group			Company	
	Lease-hold property	Fixtures, fittings and equipment	Total	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2006	–	76	76	5	5
Additions	4	52	56	12	12
On acquisition of subsidiary	36	54	90	–	–
Currency differences on foreign assets	(3)	(4)	(7)	–	–
At 31 December 2006	**37**	**178**	**215**	**17**	**17**
Depreciation					
At 1 January 2006	–	(29)	(29)	(1)	(1)
Charge for the year	(6)	(36)	(42)	(5)	(5)
At 31 December 2006	**(6)**	**(65)**	**(71)**	**(6)**	**(6)**
Net book value at 31 December 2006	**31**	**113**	**144**	**11**	**11**
Net book value at 31 December 2005	–	47	47	4	4

Notes to the financial statements (continued)

13 Investments

	Group Other investments £'000	Company Other investments £'000	Company Subsidiary undertakings £'000	Company Loan to Subsidiary undertakings £'000	Company Total investments £'000
Cost					
At 1 January 2006	1,822	1,822	2,017	–	3,839
Additions (see note 11)	–	–	699	503	1,202
Disposals	(1,822)	(1,822)	–	–	(1,822)
At 31 December 2006	–	–	2,716	503	3,219
Amounts written off					
At 1 January 2006	(1,411)	(1,411)	–	–	(1,411)
Disposals	1,411	1,411	–	–	1,411
At 31 December 2006	–	–	–	–	–
Net book value at 31 December 2006	**–**	**–**	**2,716**	**503**	**3,219**
Net book value at 31 December 2005	411	411	2,017	–	2,428

On 3 March 2006, Optimisa plc granted a US Dollar denominated long-term loan to its subsidiary company, nxtMOVE Corp, for the purpose of acquiring the net assets of an existing company. The loan bears interest at a rate of 8.35% per annum, and has no fixed date of repayment.

On 27 April 2006, Optimisa plc sold all its shares in Edengene Limited for £411,000, which was the carrying value of the investment on that date.

Notes to the financial statements (continued)

14 Debtors

	Group		Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Trade debtors	**927**	363	**–**	–
Other debtors	**343**	35	**308**	–
Amounts due from group undertakings	**–**	–	**858**	259
Prepayments and accrued income	**378**	209	**9**	5
Deferred tax asset (see note 17)	**85**	159	**89**	159
	1,733	766	**1,264**	423

Group and Company debtors includes £205,000 which is due in more than one year.

15 Creditors: amounts falling due within one year

	Group		Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Trade creditors	**317**	66	**18**	3
Other creditors	**2**	1	**–**	1
Corporation tax	**38**	72	**–**	–
Social security and other taxes	**173**	205	**19**	58
Accruals and deferred income	**446**	90	**13**	12
	976	434	**50**	74

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Deferred consideration (note 11)	**101**	–	**101**	–
	101	–	**101**	–

Notes to the financial statements (continued)

17 Deferred taxation

	Group		Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Unrelieved tax losses	85	159	89	159

The Group and Company has excess management charges carried forward of £759,000 which give rise to a potential deferred tax asset of £228,000 at 30%. The Group and Company has decided only to recognise 39% of this asset as the best estimate of the amount that is expected to reverse with the next financial year. The Directors do not believe that it is appropriate to recognise the full amount owing to uncertainties over the amount which may be recovered in the foreseeable future.

Further unrelieved tax losses of approximately £13,210,000 (2005: £13,100,000) remain available to offset against future taxable capital gains. There is a potential deferred taxation asset not recognised in respect of these losses at 30% of £3,963,000 (2005: £3,930,000). This potential asset has not been recognised because the directors do not believe they can state with sufficient certainty that it is more likely than not it will be utilised in the future years.

18 Share capital

Group and Company

	2006	2005
	£'000	£'000
Authorised:		
1,600,000 Ordinary share of 150p each	**2,400**	2,400

Called up, allotted and fully paid:

		2006		2005
	No	**£'000**	No	£'000
Ordinary shares of 150p each	**882,151**	**1,323**	690,911	1,036

Shares

On 6 April 2006, 7,039 new Ordinary Shares of 150p with a total nominal value of £10,558 were issued at a value of 900p each for a total consideration of £63,351.

On 5 May 2006, 1,500 warrants were exercised over an equivalent number of new Ordinary Shares of 150p each for a total nominal value of £2,250. There was no premium on these shares.

On 12 May 2006, 105,000 new Ordinary Shares of 150p with a total nominal value of £157,500 were issued at a value of 900p each for a total consideration of £945,000. Expenses of £8,000 incurred in issuing these shares have been deducted from the share premium account.

On 28 June 2006, 60,000 Ordinary Shares of 150p with a total nominal value of £90,000 were issued to the vendors of KAE at a value of 405p each for a total consideration of £243,000 as payment of the deferred consideration due under the purchase agreement.

Notes to the financial statements (continued)

18 Share capital (continued)

The premium on the shares issued on acquisition has been taken to the merger reserve in accordance with section 131 of the Companies Act.

On 2 October 2006, 17,701 Ordinary Shares of 150p with a total nominal value of £26,552 were issued to the vendors of AIA at a value of 990p each for a total consideration of £175,240 as part of the consideration for the acquisition.

The premium on the shares issued on acquisition has been taken to the merger reserve in accordance with section 131 of the Companies Act.

Options and warrants

In prior years the Directors granted a number of share options at prices which it is no longer realistic for the Company to achieve. These share options numbered 3,417 and the weighted average exercise price is £690. At 31 December 2006 the Company had the following outstanding warrants over its ordinary shares of 150 pence each:

Number of share	Exercise price	Dates exercisable
5,225	150p	February 2000 to February 2010
6,500	900p	March 2007 to March 2010
6,500	900p	March 2008 to March 2011

19 Reserves

Group

	Shares to be issued £'000	Merger reserve £'000	Share premium account £'000	Profit and loss account £'000
At 1 January 2006	243	612	502	458
Shares issued for deferred consideration	(243)	–	–	–
Premiums on share issued in the year	–	302	832	–
Retained profit for the financial year	–	–	–	663
Currency translation differences	–	–	–	(99)
Dividends paid	–	–	–	(135)
At 31 December 2006	–	**914**	**1,334**	**887**

Company

	Shares to be issued £'000	Merger reserve £'000	Share premium account £'000	Profit and loss account £'000
At 1 January 2006	243	612	502	746
Shares issued for deferred consideration	(243)	–	–	–
Premiums on share issued in the year	–	302	832	–
Retained profit for the financial year	–	–	–	517
Dividends paid	–	–	–	(135)
At 31 December 2006	–	**914**	**1,334**	**1,128**

Notes to the financial statements (continued)

20 Reconciliation of movement in shareholders' funds

Group

	2006	2005
	£'000	£'000
At 1 January	**2,851**	955
Profit for the year	**663**	371
Dividend paid	**(135)**	(35)
Currency translation differences	**(99)**	–
Shares issued on acquisition	**418**	972
Shares to be issued	**(243)**	243
Shares issued for cash consideration	**1,001**	250
Shares issued on exercise of warrants	**2**	95
At 31 December 2006	**4,458**	2,851

Company

	2006	2005
	£'000	£'000
At 1 January	**3,139**	955
Profit for the year	**517**	659
Dividend paid	**(135)**	(35)
Shares issued on acquisition	**418**	972
Shares to be issued	**(243)**	243
Shares issued for cash consideration	**1,001**	250
Shares issued on exercise of warrants	**2**	95
At 31 December 2006	**4,699**	3,139

Notes to the financial statements (continued)

21 Reconciliation of operating profit/(loss) to net cash inflows from operating activities

Group

	2006	2005
	£'000	£'000
Operating profit	**763**	349
Depreciation	**42**	29
Increase in debtors	**(73)**	(186)
Increase/(decrease) in creditors due within one year	**243**	(351)
Profit on disposal of investment	**–**	(12)
Profit on disposal of property	**–**	(21)
	975	(192)

22 Reconciliation of net cash flow to movement in net funds

Group

	2006	2005
	£'000	£'000
Increase in cash for the year	**839**	458
Cash (inflow) from/(decrease) in liquid resources	–	(68)
Opening net funds	**757**	367
Closing net funds	**1,596**	757

Notes to the financial statements (continued)

23 Analysis of changes in net funds

Group

	At 1 January 2006 £'000	Cash flows £'000	At 31 December 2006 £'000
Cash in hand and at bank	**757**	**839**	**1,596**

The interest rate profile of the financial assets of the Group as at 31 December 2006 is as follows:

	Floating rate financial assets £'000
2006	
Sterling	**1,596**
2005	
Sterling	757

The interest on the floating rate financial asset, which is payable on demand, is 2% above the Bank of England base rate.

The table below shows the Group's currency exposures; in other words, those transactional exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the operating unit involved.

Notes to the financial statements (continued)

23 Analysis of changes in net funds (continued)

As at 31 December, these currency exposures are as follows

	US dollar £'000	Euro £'000	Total £'000
2006			
Sterling	**627**	**215**	**842**
2005			
Sterling	230	23	253

The amounts above represent current and call accounts held with financial institutions, and short-term debtors and creditors. The fair values of the short-term debtors and creditors are not materially different from the carrying values disclosed above.

24 Commitments under operating leases

At 31 December 2006 the Group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2006 £'000	2005 £'000
The Group		
Operating leases which expire:		
2-5 years	**268**	126

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Optimisa plc will be held at 2nd Floor, 209-215 Blackfriars Road, London, SE1 8NL at 2 pm on 14 May 2007 for the following purposes:

ORDINARY BUSINESS

1. To receive the directors' report and accounts for the year ended 31 December 2006 and the auditors' report thereon.

2. To appoint R. C. Porter as Director. Mr Porter serves on the Audit Committee and the Remuneration Committee.

3. To re-appoint R. F. Littleboy as a Director. Mr Littleboy serves on the Audit Committee and the Remuneration Committee.

4. To re-appoint S. J. Dannatt as a Director. Mr Dannatt serves on the Remuneration Committee.

5. To re-appoint Grant Thornton as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to agree their remuneration.

6. To declare a final dividend for the year ended 31 December 2006 of 15 pence per ordinary share.

SPECIAL RESOLUTION

7. To consider and, if thought fit, pass the following resolution as a special resolution:

   That the power conferred on the Directors by paragraph 8.2(B) of Article 8 of the Company's Articles of Association be renewed for the period ending on the date of the Annual General Meeting in 2008 or on 1 August 2008 (whichever is the earlier), and for such period the Section 89 Amount (as such term is defined in paragraph 8.3(D) of Article 8 of the Company's Articles of Association) shall be £600,000.

8. To consider and, if thought fit, pass the following resolution as a special resolution:

   That, subject to and in accordance with Article 24 of the Company's Articles of Association, the Company is hereby generally and unconditionally authorised to make market purchases for the purpose of Section 166 of the Companies Act 1985 (as defined in Section 163 of that Act) of ordinary shares of £1.50 in the capital of the Company, provided that:

   (a) the maximum aggregate number of ordinary shares which may be purchased is 150,000;

   (b) the minimum price which may be paid for each ordinary share is £1.50;

   (c) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the closing middle market quotations of an ordinary share as shown by the Daily Official List of the London Stock Exchange for each of the five business days immediately preceding the day on which such ordinary share is contracted to be purchased; and

Notice of Annual General Meeting (continued)

(d) the authority shall expire at the conclusion of the Annual General Meeting in 2008 or, if earlier, on 1 August 2008 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

11 April 2007
BY ORDER OF THE BOARD
Optimisa plc
Company Secretary

Registered Office:

2nd Floor
209-215 Blackfriars Road
London
SE1 8NL

NOTES:-

1 A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy (or proxies) to attend and, on a poll, to vote in his place. A proxy need not be a member of the company.

2. A form of proxy is enclosed. To be effective, it must arrive not later than 48 hours before the time set for the annual general meeting at the Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD. You may also deliver by hand the proxy to The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during normal business hours also to be received not later than 48 hours before the time appointed for holding the annual general meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the company's register of members not later than 9 May 2007 or, if the meeting is adjourned, shareholders entered on the company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.